

Message Text

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C O N F I D E N T I A L MEXICO 8735

E.O. 11652: GDS

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SUBJECT: EXCELSIOR URBAN PROPERTY OCCUPIED BY SQUATTERS:

LAND INVASION OR POLITICAL COERCION?

1. SUMMARY: URBAN PROPERTY WHICH INFLUENTIAL DAILY EXCELSIOR (A COOPERATIVE ENTERPRISE) BOUGHT SIXTEEN YEARS AGO AND WHICH IT HAS DEVELOPED AT A HANDSOME PROFIT, WAS INVADED JUNE 10 BY SOME OF THE SAME EJIDITARIOS FROM WHOM EXCELSIOR ORIGINALLY PURCHASED THE PROPERTY. THE SECRETARIAT OF AGRARIAN REFORM HAS UPHELD THE EXCELSIOR CLAIM TO THE LAND BUT THUS FAR THE NEW RESIDENTIAL OWNERS AND EXCELSIOR HAVE BEEN UNSUCCESSFUL IN ATTEMPTS TO HAVE THE POLICE DISLODGE THE SQUATTERS.

EXCELSIOR IS NOW HINTING IN EDITORIALS AND IN OP-ED PAGE SIGNED COLUMNS, PARTICULARLY THE LATTER, THAT THE INVASION IS A POLITICALLY MOTIVATED ATTEMPT TO CURB THE PAPER'S INDEPENDENCE. THIS JIBES WITH A CONFIDENTIAL REPORT OF SEVERAL WEEKS AGO THAT THE GOM (PRESIDENT ECHEVERRIA) WAS SEEKING WAYS TO BRING THE INDEPENDENT DIRECTOR, SCHERER GARCIA, TO HEEL, ALTHOUGH EVIDENCE THAT THE INVASION IS CONNECTED WITH THE GOM'S FEELINGS TOWARD EXCELSIOR IS MOSTLY CONJECTURAL. ANOTHER ASPECT OF EXCELSIOR'S PROBLEMS IS WHAT APPEARS TO BE DISCONTENT WITHIN THE COOPERATIVE ITSELF. A FLYER PUBLISHED BY SOME FIFTEEN EXCELSIOR WORKERS INSINUTES THAT SCHERER GARCIA AND HIS "FORTY THIEVES" HAVE BEEN CONFIDENTIAL

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DISHONEST IN THE LAND DEAL. EXCELSIOR HAS NOT YET ACKNOWLEDGED

THIS SECOND PROBLEM. WHETHER IT TIES IN OR NOT WITH ANY POSSIBLE GOM SKULLDUGGERY ON THE LAND INVASION IS NOT YET CLEAR. END SUMMARY.

2. FOR ALMOST A MONTH, INFLUENTIAL DAILY EXCELSIOR HAS RUN FRONT PAGE STORIES ON THE INVASION JUNE 10 OF A SUBURBAN RESIDENTIAL DEVELOPMENT, "PASEOS DE TASQUENA". EXCELSIOR'S INTEREST IN THE STORY EXCEEDS MERE JOURNALISTIC CURIOSITY: EXCELSIOR, A "WORKERS' COOPERATIVE", PURCHASED THE LAND IN 1959, EVENTUALLY DEVELOPED IT WITH LOANS FROM A PRIVATE BANK, DIVIDED IT INTO RESIDENTIAL LOTS, HAS SOLD PART OF IT AND IS IN THE PROCESS OF SELLING THE REST, AT A HANDSOME PROFIT. ACCORDINT TO ONE GROUP OF ACTORS IN THE CONFLICT, (SEE PARAGRAPH 4 BELOW), EXCELSIOR ORIGINALLY PURCHASED THE LAND TO BUILD HOMES FOR MEMBERS OF THE COOPERATIVE, BUT DECIDED IN 1972 TO RESELL IT INSTEAD. THE SQUATTERS FILED A WRIT TO HAVE THE ORIGINAL SALES CONTRACT ANNULLED, BUT EXCELSIOR'S POSITION WAS UPHELD BY THE SECRETARIAT OF AGRARIAN REFORM ON JUNE 30. SUBSEQUENT EFFORTS BY NEW RESIDENTIAL OWNERS, BANK, SALES AGENT, AND EXCELSIOR TO HAVE POLICE DISLODGE THE SQUATTERS HAVE BEEN MET WITH ALLEGED GOVERNMENTAL EVASIVENESS AND INDIFFERENCE.

3. EXCELSIOR EDITORIALIZED JULY 7 THAT WITH ELECTIONS OVER, ANY REASON FOR NOT PROBING INTO MOTIVATIONS FOR THE INVASION HAS NOW DISAPPEARED. EDITORIAL REITERATED ITS SIDE OF DISPUTE (WHICH HAD APPEARED IN SEVERAL FULL PAGE ADS PUBLISHED BY RESIDENTS, THE BANK AND EVEN BY EXCELSIOR ITSELF) AND ENDED BY ASKING "WHAT'S BEHIND THE INVASION?" AND ANSWERING THAT

REPLY BY PUBLIC AUTHORITIES OTHER THAN A STRICT APPLICATION OF THE LAW WOULD CLEARLY SHOW THAT THE INVASION HAD "OTHER DIMENSIONS AND ANOTHER CHARACTER" THAN THOSE OF A SIMPLE LAND INVASION. EXCELSIOR COLUMNIST ENRIQUE MAZA WENT MUCH FURTHER, SUGGESTING THAT THOSE WHO HAD BEEN PREJUDICED BY EXCELSIOR'S INDEPENDENCE AND UNSTINTING INVESTIGATIVE JOURNALISM WOULD BENEFIT BY CREATING LEGAL AND FINANCIAL DIFFICULTIES FOR THE PAPER. MAZA SAID CLEARLY THE PRESIDENT AND THE NEW PRESIDENT-ELECT WOULD NOT WISH TO SEE EXCELSIOR ATTACKED SINCE BOTH HAD FREQUENTLY AND PUBLICLY EXPRESSED

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FULL SUPPORT FOR FREEDOM OF THE PRESS AND NEITHER WOULD WISH TO SEE MEXICO'S REPUTATION FOR A FREE PRESS DAMAGED. MAZA CONCLUDED THAT THE CULPRITS WERE THOSE WHO WOULD LIKE TO SEE THAT IMAGE TARNISHED (BUT DID SO WITHOUT IMPLYING US INVOLVEMENT).

4. ANOTHER COMPONENT OF THE DISPUTE HAS BEEN THE LESS PUBLICIZED (IN EXCELSIOR NOT AT ALL) DISSIDENCE OF AT LEAST

FIFTEEN EXCELSIOR EMPLOYEES. A FLYER HANDED OUT ON THE STREET JULY 6 CONTAINED A STRONG ATTACK ON SCHERER GARCIA, TWO TOP ASSOCIATES, AND THEIR BAND OF "FORTY THIEVES". AMONG OTHER ALLEGATIONS, THE FLYER SAID SCHERER HAD MANIPULATED AN ASSEMBLY OF THE EXCELSIOR COOPERATIVE INTO REVERSING THE ORIGINAL INTENTION TO USE THE LAND FOR HOMES FOR EXCELSIOR WORKERS TO SELL THE LAND INSTEAD. THE FLYER SUGGESTED THAT NONE OF THE WORKERS HAD SEEN ANY OF THE PROFITS AND URGED ALL EXCELSIOR WORKERS TO ATTEND AN EXTRAORDINARY ASSEMBLY OF THE COOPERATIVE JULY 8 TO DEMAND AN ACCOUNTING.

5. ACCORDING TO A CONFIDENTIAL REPORT OF SEVERAL WEEKS AGO, PRESIDENT ECHEVERRIA, FED UP WITH EXCELSIOR'S (AMONG OTHER PERCEIVED OFFENSES) ATTACKS ON THE GOM AND ON LOPEZ PORTILLO, HAD DETERMINED L BRING THE PAPER TO HEEL. THE REPORT SUGGESTED THAT THE GOM WOULD SEEK TO DISCOURAGE ADVERTISING IN EXCELSIOR AND PERHAPS USE OTHER MEANS OF ONGING FINANCIAL PRESSURE ON THE PAPER. ALTHOUGH WE FRANKLY WERE SOMEWHAT MYSTIFIED AT WHAT MIGHT HAVE PROMPTED THE PRESIDENT TO UNDER-TAKE SUCH DRASTIC ACTION, (ONLY GASTON GARCIA CANTU, A LEFTIST COLUMNIST, HAS OPENLY ATTACKED JLP) THE SOURCE OF THE REPORT WAS CERTAINLY CREDIBLE.

6. IT IS POSSIBLE THAT THE GOM HAS A HAND IN BOTH THE LAND INVASION AND THE DISSIDENCE WITHIN EXCELSIOR. THAT EXCELSIOR BELIEVES POLITICAL MOTIVATIONS ARE BEHIND AT LEAST THE LAND INVASION IS CLEAR ENOUGH FROM THE JULY 7 EDITORIAL AND COLUMN DESCRIBED ABOVE. IN THE DELPHIC AND INDIRECT CHARACTER OF MEXICAN PUBLIC STATEMENTS, THEY AMOUNT TO VIRTUALLY A RING-ING ACCUSATION OF POLITICAL COERCION. EXCELSIOR HAS NOT YET EVEN ACKNOWLEDGED ITS INTERNAL PROBLEM, ALL OF ITS PUBLIC STATEMENTS TO DATE TAKING THE LINE THAT THE INVASION AND GOVERNMENTAL INDIFFERENCE MOST PREJUDICE THE COOPERATIVE

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MEMBERS TO WHOM THE PROPERTY AND THE PROFITS FOR THE SALE THEREOF BELONG. WHETHER EXCELSIOR BELIEVES THE PRESIDENT IS BEHIND ITS PROBLEMS OR NOT IS PROBLEMATIC. PUBLICLY, AT LEAST, IT HAS SUGGESTED NOT, THUS AVOIDING A SUICIDAL CONFRONTATION WITH THE PRESIDENT AND LEAVING OPEN THE POSSIBILITY OF AN ACCOMODATION.

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